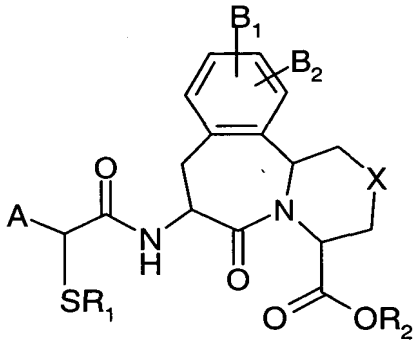
What is claimed is:

1. A method of inhibiting both angiotensin converting enzyme and neutral endopeptidase for treatment of a disease which comprises administering to a patient in need of said treatment a therapeutically effective amount of a compound of formula (I)



(I)

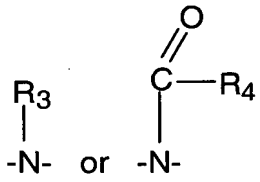
wherein

A is H, C_1-C_8-alkyl, $-CH_2OCH_2CH_2OCH_3$, or -(C_1-C_4-alkyl)-aryl;

R_1 is hydrogen, $-CH_2OC(O)C(CH_3)_3$, or an acyl group;

R_2 is hydrogen, $-CH_2O-C(O)C(CH_3)_3$, C_1-C_4-alkyl, aryl, -(C_1-C_4-alkyl)-aryl, or diphenylmethyl;

X is $-(CH_2)_n$ wherein n is an integer 0 or 1, -S- , –O- ,



wherein R_3 is hydrogen, C_1-C_4-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl; and R_4 is CF_3, C_1-C_{10}-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl;

B_1 and B_2 are each independently hydrogen, hydroxy, or $-OR_5$, wherein R_5 is C_1-C_4-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl or, where B_1 and B_2 are attached to adjacent carbon atoms, B_1 and B_2 can be taken together with said adjacent carbon atoms to form a benzene ring or methylenedioxy,

or a pharmaceutically acceptable salt or stereoisomer thereof.

2. The method according to claim 1 wherein the disease is selected from the group consisting of non-diabetic nephropathy, diabetic nephropathy, insulin resistance, diabetic neuropathy, diabetic retinopathy, myocardial infarction, cataracts, diabetic cardiomyopathy, atherosclerosis and endothelial dysfunction.

3. The method according to claim 2 wherein the disease is non-diabetic nephropathy.

4. The method according to claim 2 wherein the disease is diabetic nephropathy.

5. The method according to claim 2 wherein the disease is insulin resistance.

6. The method according to claim 2 wherein the disease is diabetic neuropathy.

7. The method according to claim 2 wherein the disease is diabetic retinopathy.

8. The method according to claim 2 wherein the disease is myocardial infarction.

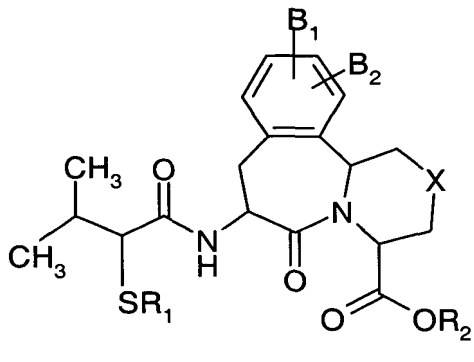
9. The method according to claim 2 wherein the disease is cataracts.

10. The method according to claim 2 wherein the disease is diabetic cardiomyopathy.

11. The method according to claim 2 wherein the disease is atherosclerosis.

12. The method according to claim 2 wherein the disease is endothelial dysfunction.

13. The method according to claim 1, wherein the compound is the compound of formula (II)



(II),

wherein R_1 is acetyl or hydrogen.

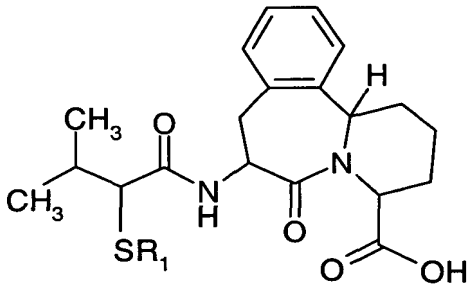
14. The method according to claim 13, wherein R_1 is acetyl.

15. The method according to claim 13, wherein R_1 is hydrogen.

16. The method according to claim 13, wherein B_1 and B_2 are hydrogen.

17. The method according to claim 13, wherein X is $-CH_2$.

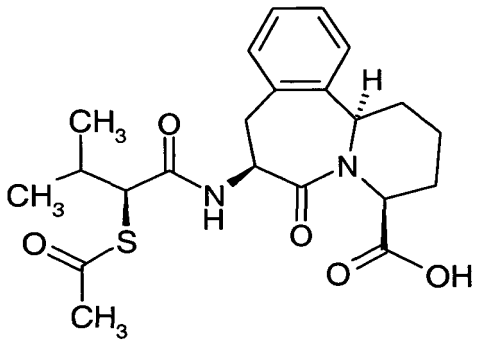
18. The method according to claim 1, wherein the compound is the compound of formula (II-A)



(II-A),

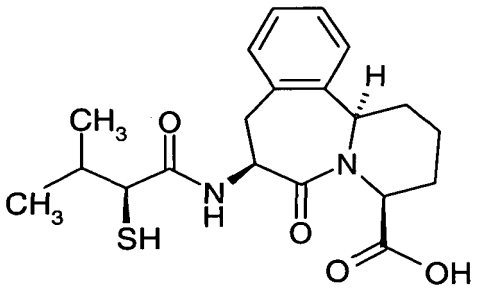
wherein R_1 is acetyl or hydrogen.

19. The method according to claim 18, wherein the compound has the formula (II-B)



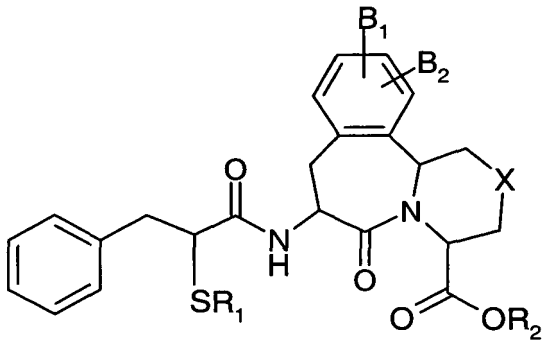
(II-B).

20. The method according to claim 18, wherein the compound has the formula (II-C)



(II-C).

21. The method according to claim 1, wherein the compound is the compound of formula (III)



(III),

wherein R_1 is acetyl or hydrogen.

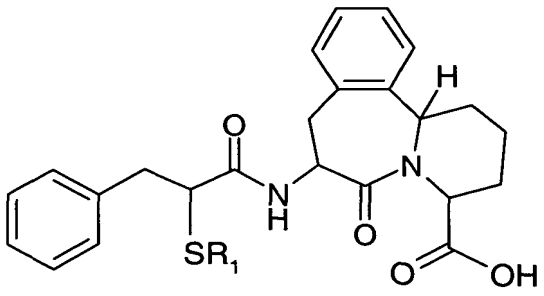
22. The method according to claim 21, wherein R_1 is acetyl.

23. The method according to claim 21, wherein R_1 is hydrogen.

24. The method according to claim 21, wherein B_1 and B_2 are hydrogen.

25. The method according to claim 21, wherein X is $-CH_2$.

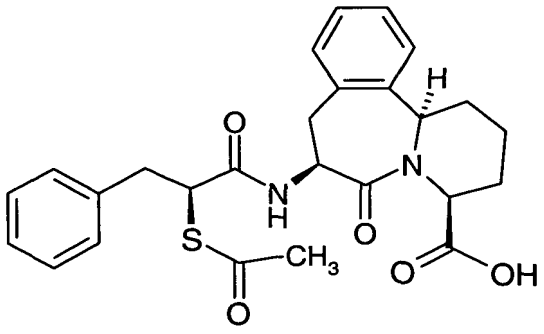
26. The method according to claim 1, wherein the compound is the compound of formula (III-A)



(III-A),

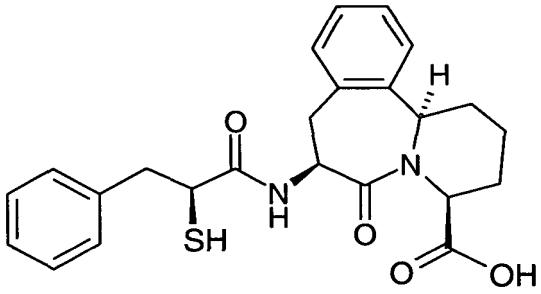
wherein R_1 is acetyl or hydrogen.

27. The method according to claim 26, wherein the compound has the formula (III-B)



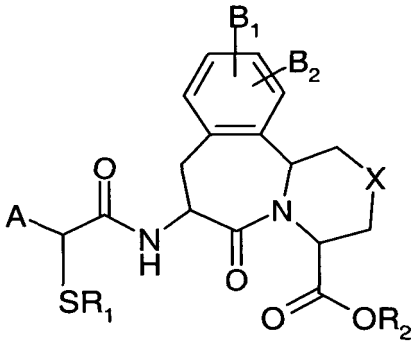
(III-B).

28. The method according to claim 26, wherein the compound has the formula (III-C)



(III-C).

29. A method for inhibition of both angiotensin converting enzyme and neutral endopeptidase which comprises administering to a patient in need of said inhibition an effective inhibitory amount of a compound of formula (I)



(I)

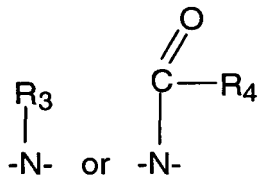
wherein

A is H, C_1-C_8-alkyl, $-CH_2OCH_2CH_2OCH_3$, or -(C_1-C_4-alkyl)-aryl;

R_1 is hydrogen, $-CH_2OC(O)C(CH_3)_3$, or an acyl group;

R_2 is hydrogen, $-CH_2O-C(O)C(CH_3)_3$, C_1-C_4-alkyl, aryl, -(C_1-C_4-alkyl)-aryl, or diphenylmethyl;

X is $-(CH_2)_n$ wherein n is an integer 0 or 1, -S- , –O- ,

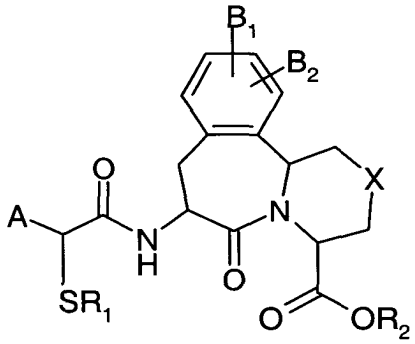


wherein R_3 is hydrogen, C_1-C_4-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl; and R_4 is CF_3, C_1-C_{10}-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl;

B_1 and B_2 are each independently hydrogen, hydroxy, or -OR_5, wherein R_5 is C_1-C_4-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl or, where B_1 and B_2 are attached to adjacent carbon atoms, B_1 and B_2 can be taken together with said adjacent carbon atoms to form a benzene ring or methylenedioxy,

or a pharmaceutically acceptable salt or stereoisomer thereof.

30. A method for the preparation of a pharmaceutical composition having both angiotensin converting enzyme and neutral endopeptidase inhibitory activity for treatment of a disease comprising mixing a pharmaceutically acceptable carrier, optionally one or more pharmaceutically acceptable excipients, and a therapeutically effective amount of a compound of formula (I)



(I)

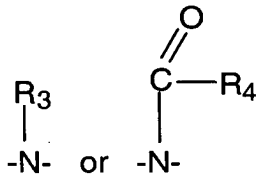
wherein

A is H, C_1-C_8-alkyl, -$CH_2OCH_2CH_2OCH_3$, or -(C_1-C_4-alkyl)-aryl;

R_1 is hydrogen, -$CH_2OC(O)C(CH_3)_3$, or an acyl group;

R_2 is hydrogen, -CH_2O-$C(O)C(CH_3)_3$, C_1-C_4-alkyl, aryl, -(C_1-C_4-alkyl)-aryl, or diphenylmethyl;

X is –$(CH_2)_n$ wherein n is an integer 0 or 1, -S- , –O- ,



wherein R_3 is hydrogen, C_1-C_4-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl; and R_4 is CF_3, C_1-C_{10}-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl;

B_1 and B_2 are each independently hydrogen, hydroxy, or $-OR_5$, wherein R_5 is C_1-C_4-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl or, where B_1 and B_2 are attached to adjacent carbon atoms, B_1 and B_2 can be taken together with said adjacent carbon atoms to form a benzene ring or methylenedioxy,

or a pharmaceutically acceptable salt or stereoisomer thereof.